

Registered no. OC335596
Registered in England and Wales

Financial statements Ernst & Young Belastingadviseurs LLP for the year ended 30 June 2023



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Members' report of Ernst & Young Belastingadviseurs LLP

Registered no. OC335596
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The members (i.e. partners) present their report and financial statements for the year ended 30 June 2023.

Principal activity

The principal activities of Ernst & Young Belastingadviseurs LLP (EYB) are tax and HR advisory and tax compliance services. EYB carries out its operations primarily in the Netherlands.

Board of Directors

The EYB Board is led by Danny Oosterhoff. For the year ended 30 June 2023 and the period up until approval of the financial statements, the EYB Board furthermore comprises of:

- ▶ Saskia van der Zande
- ▶ Marc Stiebing

All members of the EYB Board are through their private limited liability companies (B.V.) members of EYB.

The Chairman of EYB and the other members of the Board of EYB are appointed by the Board of Directors of Ernst & Young Nederland LLP (EYNL), after appropriate consultation with the members of EYB.

The EYB Board is responsible for the day-to-day management and for exercising the duties and powers as determined by the Fundamental Rules and Regulations of EYB.

For the period ended 30 June 2023 and the period up until approval of the financial statements the designated members of EYB are:

- ▶ Mr. H.D. Oosterhoff Belastingadviseur B.V.
- ▶ Drs. S.M.M. van der Zande Belastingadviseur B.V.
- ▶ Drs. M. Stiebing Belastingadviseur B.V.

Auditor

Mazars LLP was appointed as auditor to EYB for the year ended 30 June 2023.

UK energy use and carbon emissions

EYB has limited activities in the UK, as a result EYB has no material emissions made and energy consumed within the UK. Therefore the thresholds as stated in the Streamlined Energy and Carbon Reporting requirements are not met.

On behalf of Mr. H.D. Oosterhoff Belastingadviseur B.V.


H.D. Oosterhoff

28 September 2023

Statement of members' responsibilities of Ernst & Young Belastingadviseurs LLP

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 ('LLP Regulations') require the members to prepare financial statements for each financial period. Under the LLP Regulations the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of EYB and of the profit or loss of EYB for that period. The members have elected to prepare financial statements for EYB in accordance with UK adopted international accounting standards ('IFRS').

IAS 1 'Presentation of Financial Statements' requires that financial statements present fairly for each financial period the limited liability partnership's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. Members are also required to:

- ▶ properly select and apply accounting policies consistently;
- ▶ make judgments and estimates that are reasonable and prudent;
- ▶ present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- ▶ provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on EYB's financial position and financial performance; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that EYB will continue in business.

Under the LLP Regulations, the members are responsible for ensuring that adequate accounting records are kept which disclose with reasonable accuracy at any time the financial position of EYB and which enable them to ensure that the financial statements will comply with those regulations. The members have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of EYB and to prevent and detect fraud and other irregularities. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The members' responsibilities set out above are discharged by the designated members on behalf of the members. The designated members at the date of approval of the financial statements confirm that, so far as they are aware, there is no relevant information of which EYB's auditors are unaware and each designated member has taken all the steps that ought to have been taken by them to make themselves aware of any relevant audit information and to establish that EYB's auditors were aware of that information.

EYB, which is a member firm of the EY global network of independent member firms, has considerable financial resources, contracts with a large number of clients across different industries and geographies and has talented and motivated partners and employees. Information about its capital and exposure to liquidity risk is set out in Notes 17 and 18 to the financial statements.

**Statement of members' responsibilities
of Ernst & Young Belastingadviseurs LLP**

Going concern

EYB is a subsidiary of EYNL and in this context EYNL arranges the financing structure for the EYNL group. In this respect EYB is part of a cash pooling arrangement with EYNL. The going concern assessment of EYB is therefore linked to that of the total EYNL group. The designated members of EYB have considered the going concern assessment undertaken by EYNL, which incorporated EYB, and is set out below.

The designated members of EYNL have considered the impact of a number of scenarios on the Group's most recent financial projections to assess the appropriateness of the going concern assumption. The following scenarios have been incorporated, which were mainly based on market information and mainly differ on macro-economic developments in the coming years.

- ▶ Baseline scenario - Revenue projections based on historical data
- ▶ Scenario 1 - Adverse growth scenario, Revenue projections based on the mild decrease of revenue and an increase of direct and indirect cost
- ▶ Scenario 2 - Inflation scenario, Revenue and cost projections based on a worst case scenario in which Revenue decrease and inflation negatively impacts performance

The scenarios deal with the uncertainties that the designated members deem to be most relevant for its primary activities. These uncertainties forecast revenues, gross margins and operating income. The designated members have reviewed the (expected) impact of the inflation and the expectation of the (in)ability to pass on the increase of cost to clients.

The scenarios include a cash flow forecast until December 2024. None of the scenarios identified a threat to applying the going concern assumption. Although future projections are inherently uncertain, EYNL and EYB do not anticipate significant changes in their activities after the period used for the scenario analyses.

Thus, the designated members of EYNL have a reasonable expectation that the financial resources available to EYNL and the underlying entities are adequate to meet its operational needs for the foreseeable future. Accordingly, the designated members of EYB have a reasonable expectation that EYB has adequate financial resources to continue in operational existence for the foreseeable future. Consequently, the going concern basis has been adopted in preparing the financial statements.

Independent auditor's report to the members of Ernst & Young Belastingadviseurs LLP

Opinion

We have audited the financial statements of Ernst & Young Belastingadviseurs LLP (the 'LLP') for the year ended 30 June 2023 which comprise the Statement of profit or loss and other comprehensive income, Statement of financial position, Statement of changes in equity, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- ▶ give a true and fair view of the state of the LLP's affairs as at 30 June 2023 and of its profit for the year then ended; and
- ▶ have been properly prepared in accordance with UK-adopted international accounting standards; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The members are responsible for the other information. The other information comprises the information included in the Members' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**Independent auditor's report to the members
of Ernst & Young Belastingadviseurs LLP**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, as applied to limited liability partnerships, requires us to report to you if, in our opinion:

- ▶ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the financial statements are not in agreement with the accounting records and returns; or
- ▶ we have not received all the information and explanations we require for our audit.

Responsibilities of Members

As explained more fully in the members' responsibilities statement set out on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

**Independent auditor's report to the members
of Ernst & Young Belastingadviseurs LLP**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the LLP and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, Dutch Civil Code, laws and regulations monitored by the Netherlands Authority for the Financial Markets regulations (AFM).

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- ▶ Inquiring of the members as to whether the LLP is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- ▶ Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- ▶ Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- ▶ Considering the risk of acts by the LLP which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as Dutch corporate income, payroll and sales tax laws, pension legislation, the Companies Act 2006, as applied to limited liability partnerships.

In addition, we evaluated the members' incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to valuation of professional indemnity provisions, Provision for expected credit losses of trade receivables and amounts to be billed, revenue recognition (which we pinpointed to the valuation of unbilled revenue, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- ▶ Making enquiries of the members on whether they had knowledge of any actual, suspected or alleged fraud;
- ▶ Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- ▶ Discussing amongst the engagement team the risks of fraud; and
- ▶ Addressing the risks of fraud through management override of controls by performing journal entry testing.

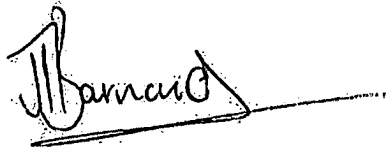
There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

**Independent auditor's report to the members
of Ernst & Young Belastingadviseurs LLP**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the LLP's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'J Barnard', with a long horizontal line extending to the right.

Jonathan Barnard (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

Date: 28 September 2023

Statement of profit or loss and other comprehensive income of Ernst & Young Belastingadviseurs LLP

for the year ended 30 June 2023 | In thousands of euros

	Notes	2022/2023	2021/2022
Revenue			
Rendering of services	5.1	293,964	272,066
Other income	6	11,123	8,629
		305,087	280,695
Operating expenses			
Services provided by EY member firms and third parties	7.1	63,904	57,379
Employee benefits expenses	7.2	89,883	80,068
Amortization of intangible assets	9	32	32
Depreciation of right-of-use assets	10	1,243	1,329
Other operating expenses	7.3	70,017	69,488
		225,079	208,296
Operating profit		80,008	72,399
Finance expenses	8	-2,118	-3,634
Profit before tax		77,890	68,765
Income tax expense		-	-
Profit available for distribution		77,890	68,765
Distribution to EYNL		-77,890	-68,765
Profit for the financial year		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		-	-

Statement of financial position of Ernst & Young Belastingadviseurs LLP

as at 30 June 2023 | In thousands of euros

	Notes	30 June 2023	30 June 2022
Assets			
Non-current assets			
Intangible assets	9	68	100
Right-of-use assets	10	2,176	2,364
Investment in associate	11	1	1
		2,245	2,465
Current assets			
Trade and other receivables	12	107,565	103,561
Prepayments		987	560
Cash and cash equivalents		31	9
		108,583	104,130
Total assets		110,828	106,595
Equity and liabilities			
Current liabilities			
Trade and other payables	13	94,034	86,278
Interest-bearing loans and borrowings	14	1,045	1,120
Provisions	15	470	105
Employee benefits	16	9,056	8,111
		104,605	95,614
Non-current liabilities			
Interest-bearing loans and borrowings	14	1,228	1,271
Provisions	15	1,347	5,837
Employee benefits	16	3,648	3,873
		6,223	10,981
Total liabilities		110,828	106,595
Equity			
Reserves		-	-
Total equity		-	-
Total equity and liabilities		110,828	106,595

The financial statements of Ernst & Young Belastingadviseurs LLP, registered number OC335596, were signed on 28 September 2023 by H.D. Oosterhoff on behalf of Mr. H.D. Oosterhoff Belastingadviseur B.V.

Danny Oosterhoff

Statement of changes in equity
of Ernst & Young Belastingadviseurs LLP
for the year ended 30 June 2023| In thousands of euros

	Reserves
At 1 July 2021	-
Profit available for distribution	68,765
Distribution to EYNL	-68,765
Profit for the financial year	-
Other comprehensive income	-
At 30 June 2022	-
Profit available for distribution	77,890
Distribution to EYNL	-77,890
Profit for the financial year	-
Other comprehensive income	-
At 30 June 2023	-

Statement of cash flows of Ernst & Young Belastingadviseurs LLP

for the year ended 30 June 2023 | in thousands of euros

	Notes	2022/2023	2021/2022
Operating activities			
Profit available for distribution		77,890	68,765
Adjustment for:			
Amortization of intangible assets	9	32	32
Depreciation of right-of-use assets	10	1,243	1,329
Finance income and expenses	8	2,119	3,634
(Gains)/losses on leases and the sale of assets		-4	1
Movement in employee benefits	16	704	-739
Movement in provisions	15	-4,125	5,216
		77,859	78,238
Working capital adjustments:			
Movement in trade and other receivables and prepayments	12	-4,424	-18,573
Movement in trade and other payables	13	7,756	14,017
Net cash flow from operating activities		81,191	73,682
Investing activities			
Net cash flow used in investing activities		-	-
Financing activities			
Profit distribution to EYNL		-77,890	-68,765
Repayment of lease liabilities	10	-1,176	-1,296
Interest paid		-2,103	-3,614
Net cash flows used in financing activities		-81,169	-73,675
Net cash flow		22	7
Net cash and cash equivalents 1 July		9	2
Net cash flow		22	7
Net cash and cash equivalents 30 June		31	9

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

In thousands of euros, unless stated otherwise

The following abbreviations are used in these financial statements:

Abbreviation	standing for
► EYNL	Ernst & Young Nederland LLP
► EYA	Ernst & Young Accountants LLP
► EYB	Ernst & Young Belastingadviseurs LLP
► EYAN	EY Advisory Netherlands LLP
► EY Europe	EY Europe SRL
► EY EMEA	Ernst & Young (EMEA) Services Limited
► EY Global	Ernst & Young Global Ltd

1 Corporate information

1.1 Date of preparation

EYB's financial statements for the year ended 30 June 2023 were approved by EYNL on 28 September 2023 and signed on behalf of the members by the designated members on 28 September 2023.

1.2 Incorporation

EYB is a limited liability partnership established under the laws of England and Wales and is registered with the Companies House under number OC335596 and had during the financial year its registered office at 6 More London Place, London SE1 2DA, United Kingdom. On 1 September 2023, the registered office address was changed to: 1 More London Place, London SE1 2AF, United Kingdom. Its principal place of business is at Boompjes 258, 3011 XZ Rotterdam, The Netherlands and it is registered with the Chamber of Commerce with number 24432939.

All members (partners) of EYB, also participate in EYNL together with the members of EYA and EYAN. There are contractual arrangements under which the entire result of EYB is distributed to EYNL.

1.3 Financial year

A financial year consists of 52 or 53 weeks and therefore the year-end date differs from year to year. The financial year 2022/2023 (52 weeks) started on 2 July 2022 and ended on 30 June 2023 and the financial year 2021/2022 (52 weeks) started on 3 July 2021 and ended on 1 July 2022. Accordingly, references to 30 June 2022 must be read as references to 1 July 2022.

1.4 Principal activities

EYB offers tax advisory, tax compliance and HR advisory services.

1.5 Control structure

EYB is a member firm of EY Global, a worldwide organization of separate legal entities providing assurance, tax, consulting and strategy and transaction services which holds a leading position in its market.

EYNL has a controlling interest in EYB, see also Note 19.

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

In thousands of euros, unless stated otherwise

EY Europe has significant influence over EYNL, as described in Note 19. EY Europe is a member of EY Global and EY EMEA. EY Europe is also a member of EYNL.

1.6 Position of the members

The profit of EYB accrues to EYNL which, according to an agreed system, makes the distribution of profits determined from the consolidated financial statements of EYNL. The distributions to retired members of the legal predecessors of EYB are a contractual obligation of the current members as a whole.

2 Accounting policies**2.1 Basis of preparation**

The financial statements have been prepared in accordance with UK adopted international accounting standards ('IFRS').

The financial statements have been prepared on the historical cost basis.

The functional currency of EYB is the euro. The financial statements are presented in euros and all amounts are rounded to the nearest thousand (€000), unless stated otherwise.

Going concern

EYB is a subsidiary of EYNL and in this context EYNL arranges the financing structure for the EYNL group. In this respect EYB is part of a cash pooling arrangement with EYNL. The going concern assessment of EYB is therefore linked to that of the total EYNL group. The management of EYB has considered the going concern assessment undertaken by EYNL, which incorporated EYB, and is set out below.

The management of EYNL has considered the impact of a number of scenarios on the Group's most recent financial projections to assess the appropriateness of the going concern assumption. The following scenarios have been incorporated, which were mainly based on market information and mainly differ on macro-economic developments in the coming years.

- ▶ Baseline scenario - Revenue projections based on historical data
- ▶ Scenario 1 - Adverse growth scenario, Revenue projections based on the mild decrease of revenue and an increase of direct and indirect cost
- ▶ Scenario 2 - Inflation scenario, Revenue and cost projections based on a worst case scenario in which Revenue decrease and inflation negatively impacts performance

The scenarios deal with the uncertainties that the management deems to be most relevant for its primary activities. These uncertainties forecast revenues, gross margins and operating income. The management has reviewed the (expected) impact of the inflation and the expectation of the (in)ability to pass on the increase of cost to clients.

The scenarios include a cash flow forecast until December 2024. None of the scenarios identified a threat to applying the going concern assumption. Although future projections are inherently uncertain,

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

In thousands of euros, unless stated otherwise

EYNL and EYB do not anticipate significant changes in their activities after the period used for the scenario analyses.

Thus, management of EYNL has a reasonable expectation that the financial resources available to EYNL and the underlying entities are adequate to meet its operational needs for the foreseeable future. Accordingly, management of EYB has a reasonable expectation that EYB has adequate financial resources to continue in operational existence for the foreseeable future. Consequently, the going concern basis has been adopted in preparing the financial statements.

2.2 Changes in accounting policy and disclosures**New and amended standards and interpretations**

The following amendments and interpretations apply for the first time in 2022/2023. EYB has assessed these and concluded they do not have a material impact on the financial statements of EYB.

- ▶ IAS 16 Property, Plant and Equipment (Amendment): Proceeds Before Intended Use
- ▶ IAS 37 Provisions, Contingent Liabilities and Contingent Assets: (Amendment): Onerous Contracts - Cost of Fulfilling a Contract
- ▶ IFRS 3 Business Combinations (Amendment): Reference to the Conceptual Framework
- ▶ Annual Improvements to IFRSs (2018 - 2020 cycle)

EYB has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.3 Summary of significant accounting policies**Foreign currencies**

Transactions in foreign currencies are initially recorded at the rate of exchange of the functional currency prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Fair value measurement

Initially, financial instruments are measured at fair value. Subsequently, the financial instruments are measured at fair value or amortized cost, depending on the classification of the financial instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability.

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

In thousands of euros, unless stated otherwise

The principal or the most advantageous market must be accessible to EYB.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

EYB uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, EYB determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, EYB has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Rendering of services

Rendering of services represents revenue earned under a wide variety of contracts with customers to provide professional services to clients and to other entities within the EY global network.

Revenue from contracts with customers is recognized when control of the services are transferred to the customer at an amount that reflects the consideration to which EYB expects to be entitled in exchange for those services.

Revenue from contracts with customers is recognized over time using the input method as services are provided to customers. EYB has an enforceable right to payment at a reasonable margin for performance completed to date and EYB's performance does not create an asset with an alternative use. In other circumstances EYB provides services which are consumed by the customers as they are performed, therefore revenue can be recognized over time. The input method is used to measure progress toward complete satisfaction of the service as it provides a faithful depiction of the transfer of services, as EYB charges its customers on a basis in line with costs.

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

| 18

In thousands of euros, unless stated otherwise

If the consideration in a contract includes a variable amount (for example success fees, additional billing or volume discounts), EYB estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. The variable consideration is estimated at contract inception or at the moment of an adjustment in the scope or price of the contract and constrained until it is highly probable that a significant revenue reversal in the amount of the cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

EYB determined the expected value method to be the appropriate method to use in estimating the variable consideration for most of its contracts that include variable amounts such as volume discounts and additional billing, given the large number of potential outcomes of the variable compensation. EYB determined that the most likely amount method is the appropriate method to use in estimating the variable consideration for contracts with success fees, as the contract has only two possible outcomes (the project either results in a success or not).

Payment is generally due upon specific agreed moments during the performance of our services, on moments that coincide with the work being performed. Using the practical expedient in IFRS 15, EYB does not adjust the consideration for the effects of a significant financing component if it expects, at contract inception, that the period between EYB's entitlement to payment from the customer and EYB's performance under the contract will be less than twelve months.

When another entity within the EY global network or external party is involved in providing services to a customer, EYB determines whether it is a principal or an agent in these transactions. EYB is a principal and revenue is recognized on a gross basis if it controls the services before transferring them to the customer. However, if EYB has to arrange to provide services for another (EY) entity, then EYB is an agent and will recognize revenue at the net amount that it retains for its agency services.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

Contract balances**► Amounts to be billed**

A contract asset is recognized when EYB has a right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditional on something other than the passage of time. A contract receivable is an amount to be billed for which payment is only a matter of passage of time.

► Trade receivables

A receivable represents EYB's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Reference is made to the accounting policies of financial assets.

► Payments on account

A contract liability is the obligation to transfer services to a customer for which EYB has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before EYB transfers services to the customer, a contract liability is recognized when

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the payment is made or the payment is due (whichever is earlier) as Payments on account, presented in Trade and other payables.

Other income

Income earned from charges made to other entities within the EY global network is recognized based on the applicable contractual terms and conditions.

Income tax

Taxes on the result of EYB are levied directly on the members.

Any differences between measurement for tax purposes and for financial reporting purposes are likewise settled through the members' professional practice companies. Consequently, no deferred tax arises in EYB.

Profit for the financial year available for distribution among members

The profit of EYB accrues to EYNL which, according to an agreed system, makes the distribution of profits determined from the consolidated financial statements of EYNL. The distributions to retired members of the legal predecessors of EYB are a contractual obligation of the current members as a whole.

Intangible assets

Intangible assets acquired separately are measured at cost on initial recognition. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Amortization is based on the estimated useful life of the asset and charged using the straight-line method:

► Customer relationships	10 years
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The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets is recognized as a separate line item in the statement of profit or loss and other comprehensive income.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss and other comprehensive income when the asset is derecognized.

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Leases

EYB assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

EYB as a lessee

EYB applies a single recognition and measurement approach for a portfolio of leases with reasonably similar characteristics, except for short-term leases and leases of low-value assets. EYB recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

EYB recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

► Cars	2-5 years
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The right-of-use assets are also subject to impairment. Refer to the accounting policies in the section Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, EYB recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by EYB and payments of penalties for terminating the lease, if the lease term reflects EYB exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, EYB uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate represents the rate EYB would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain the asset of similar value to the leased asset in a similar economic environment.

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After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

EYB's lease liabilities are included in Interest-bearing loans and borrowings (see Note 14).

Short-term leases and leases of low-value assets

EYB applies the short-term lease recognition exemption to its leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option (short-term leases). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value (i.e., below €5,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Impairment of non-financial assets

EYB assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, EYB estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, are recognized in the statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset.

For assets an assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, EYB estimates the asset's or the CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited such that the carrying amount of the asset does not exceed its recoverable amount nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

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Investment in associate

EYB has an interest in an associate. The investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in EYB's share of net assets of the associate since the acquisition date.

EYB determines at each balance sheet date whether there is any objective evidence that the investment in the associate needs to be impaired. If so, EYB calculates the amount of impairment and recognizes the amount in the statement of profit or loss and other comprehensive income.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1) Financial Assets**Initial recognition and measurement of financial assets**

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and EYB's business model for managing them.

Trade receivables that do not contain a significant financing component or for which EYB has applied the practical expedient of IFRS 15 are initially measured at the transaction price as disclosed in the section Rendering of services. All other financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

EYB's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and subsequently measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and subsequently measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)

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- ▶ Financial assets at fair value through OCI with recycling of cumulative gains and losses (FVOCI with recycling; debt instruments)
- ▶ Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (FVOCI no recycling; equity instruments)
- ▶ Financial assets at fair value through profit or loss (FVTPL)

In the periods presented EYB only has financial assets categorized as financial assets at amortized cost.

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

EYB's financial assets at amortized cost includes trade and other receivables, including amounts to be billed.

Derecognition

A (part of) a financial asset is derecognized when the contractual rights to receive cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred.

Impairment of financial assets

EYB recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that EYB expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

EYB considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, EYB may also consider a financial asset to be in default when internal or external information indicates that EYB is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade receivables and amounts to be billed, EYB applies the simplified approach in calculating ECLs. Therefore, EYB does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. EYB has established a provision matrix that is based on its historical credit loss experience. The provision matrix is adjusted with forward-looking information when changes

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in economic conditions are expected to have a material impact. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ii) Financial liabilities**Initial recognition and measurement of financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings, hedging instruments in an effective hedge or as payables, as appropriate.

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

EYB's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement of financial liabilities

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- ▶ Financial liabilities at fair value through profit or loss
- ▶ Financial liabilities at amortized cost (loans and borrowings).

In the periods presented EYB only has financial liabilities categorized as financial liabilities at amortized cost.

Financial liabilities at amortized cost (loans and borrowings)

After initial recognition, interest-bearing and non-interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. When there is a change in estimates of payments, the amortized cost of the financial liability is adjusted to reflect actual and revised estimated cash flows. Any consequent adjustment to the carrying amount is recognized immediately in profit or loss, a gain is included in finance income whereas a loss is included in finance expenses.

Trade payables are generally carried at the original invoiced amount.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

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iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and the statement of cash flows comprise cash at banks and on hand. All cash and cash equivalents are at free disposal to EYB.

Provisions

Provisions are recognized when EYB has a present legal or constructive obligation resulting from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Professional indemnity

In determining the amount of a provision to be recognized in respect of alleged professional negligence claims, it is necessary to make a judgment as to whether a present obligation exists as a result of a past event that gives rise to probable payments and, if so, whether the obligation can be reliably estimated. Where appropriate, provision is made based on the estimated cost of defending and settling claims. These judgments and estimates are made on a claim-by-claim basis and take account of all available evidence. A different assessment could result in a change to the amount of the provision recognized.

Contingent liabilities arise where payments resulting from a claim are not probable or where it is not possible to reliably estimate the financial effect of a claim. Contingent assets are not recognized, but are disclosed where an inflow of economic benefits is probable. Separate disclosure is not made of any individual claim or of expected insurance recoveries where such disclosure might seriously prejudice the position of the entity.

Provision for employee benefits**Pensions**

EYB has a general pension plan, which qualifies as an individual defined contribution plan and is administered by a premium pension institution (PPI: Aegon Cappital). Overall, this pension scheme is classified as a defined contribution scheme under IAS 19. EYB is only required to pay the agreed fixed contribution to Aegon Cappital to build up a capital for the individual participants. After payment of this contribution EYB does not have any further obligation to Aegon Cappital or its employees in this respect.

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The contributions due are taken to the statement of profit or loss. Contributions payable and prepaid are included under current liabilities and current assets.

Besides the above mentioned general pension plan, EYB has the following related pension obligation. There is an obligation relating to the continuation of the pension accrual during the prepension period. For a limited (closed) group of participants EYB pays contributions for participants who (in part) are no longer in active employment. This obligation is classified as a defined benefit plan and is unfunded. Measurement is based on the projected unit credit method using a discount rate derived from the interest rate on high-quality corporate bonds. Actuarial gains and losses are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit and loss in subsequent periods. This obligation is a separate element of the general pension plan and does not have an impact on the classification of the general pension plan.

Salary payments during absence and long-service awards

The provision for salary payments during absence is formed for future payments in the event of termination of contracts of employment. Furthermore, a provision for long-service awards is made. The plans are unfunded.

Measurement of long-service awards is based on probability rates, mortality rates and future salary increases.

These provisions are discounted using a rate derived from the interest rate on high-quality corporate bonds.

Statement of cash flows

The statement of cash flows has been prepared using the indirect method.

Repayments of principal amounts of interest-bearing loans and borrowings, including lease liabilities, are included in the financing cash flow. The interest element is recognized as part of overall interest in the financing cash flow.

Transactions denominated in foreign currencies are recognized at the exchange rates ruling on the transaction date.

3 Standards issued but not yet effective

A number of standards and interpretations have been issued, but are not yet effective up to the date of issuance of EYB's financial statements.

For these standards and interpretations EYB reasonably expects that they will not have a material impact on disclosures, financial position or performance when applied at a future date. EYB intends to adopt these standards and interpretations when they become effective.

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4 Significant accounting judgments, estimates and assumptions

The preparation of EYB's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying EYB's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

Rendering of services

EYB applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers.

Timing of satisfaction of performance obligation

EYB concluded that the revenue from contracts with customers is to be recognized over time because EYB's performance does not create an asset with alternative use and EYB has an enforceable right to payment at a reasonable margin for the performance completed to date. Besides there are also types of contracts where the customer simultaneously receives and consumes the benefit provided by EYB's performance as it performs (e.g. secondments).

EYB determined that the input method based on hours incurred to determine a proxy for cost is the best method in measuring progress towards complete satisfaction of the performance obligation because there is a direct relationship between EYB's effort (i.e. hours incurred) and the transfer of service to the customer.

Determining method to estimate variable consideration and assessing the constraint

Certain contracts of EYB include success fees, additional billing or volume discounts that give rise to variable consideration. EYB estimates the amount of variable consideration by using either the expected value method or the most likely amount method, depending on which method better predicts the amount of consideration to which it will be entitled.

EYB determined the expected value method to be the appropriate method to use in estimating the variable consideration for most of its contracts that include variable amounts such as volume discounts and additional billing, given the large number of potential outcomes of the variable compensation. EYB determined that the most likely amount method is the appropriate method to use in estimating the variable consideration for contracts with success fees, as the contract has only two possible outcomes (the project either results in a success or not).

The estimation of the variable consideration is made by the individual responsible partner, considering historical experience with the client and other (economic) conditions.

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Determining the lease term of contracts with renewal and termination options – EYB as lessee

EYB determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

EYB has several lease contracts that include extension and termination options. EYB applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination option. After the commencement date, EYB reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The renewal options for leases of cars are not included as part of the lease term because EYB typically leases cars for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Pension plan

The contractual arrangements laid down in the pension plan, the agreements with Aegon Cappital and the transparent communication on employees' entitlements are of such a nature that, viewed from EYB's perspective there is a plan under which all actuarial risks and rewards are placed outside EYB after payment of the fixed annual premium.

Besides the above mentioned general pension plan, there is an obligation to continue the pension accrual during the prepension period that qualifies as a defined benefit plan. Because this obligation relates to a limited, specific and closed group of employees it is regarded as a separate plan and does not impact the classification of the general pension plan.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

EYB based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of EYB. Such changes are reflected in the assumptions when they occur.

Revenue measurement

The revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the services. Therefore estimates are made using a method based on a primary estimate by the partner with final responsibility plus a review procedure. Revenue is determined taking into account the progress of work. Where applicable, the variations in the contracted work are also taken into account.

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Impairment of non-financial assets

An impairment exists when the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and forecasts for the next 1 to 3 years. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Provision for expected credit losses of trade receivables and amounts to be billed

EYB uses a provision matrix to calculate Expected Credit Losses (ECL) for trade receivables and amounts to be billed. The provision rates are based on days past due.

EYB has established a provision matrix that is based on its historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. EYB historically considered its customer base relatively homogeneous as its historical credit loss experience did not show significantly different loss patterns for different customer segments, as such a single provision matrix was used to determine expected credit losses.

In relation to the Russian invasion in Ukraine, started in 2022, EYB considered that the loss pattern for specific clients differs from the overall customer population. Therefore, EYB has separated the respective customer base and has not applied the general provision matrix to these customers, but has separately calculated ECLs for these customers.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. EYB's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the EYB's trade receivables and amounts to be billed is disclosed in Note 12.

Provision for professional indemnity

An estimate is made of future cash outflows and of the time they are expected to arise when determining this provision. Further details are disclosed in Note 15.

Employee benefits

Bonuses and payments to employees are determined annually based on budgeted assumptions. During the year and as at year-end, the amounts of these bonuses and payments to employees are assessed as to whether they are still applicable regarding the business circumstances. Further details are disclosed in Note 16.

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5 Rendering of services**5.1 Disaggregated revenue information**

Fee income from the rendering of services is generated almost entirely in the Netherlands and can be broken down by service line and market segments as mentioned in the following schedules.

	2022/2023	2021/2022
Tax	293,964	272,066
	293,964	272,066
	2022/2023	2021/2022
Market segment		
Technology, Media, Telecommunications	42,859	38,737
Advanced Manufacturing & Mobility	39,087	40,648
Consumer	38,385	35,142
Financial Services	36,059	35,775
Private Equity	33,115	29,672
Health Sciences & Wellness	19,439	19,729
Energy & Resources	17,830	16,435
Government & Infrastructure	16,414	15,592
Other	50,776	40,336
	293,964	272,066

The market segments are annually reviewed and updated, for example as a result of mergers and acquisitions of clients. The comparative figures are adjusted accordingly. The category 'Other' mainly includes revenues from other market segments, EY member firms and new customers to be classified.

5.2 Contract balances and performance obligations

EYB has recognized the following balances related to contracts with customers.

	Notes	30 June 2023	30 June 2022	30 June 2021
Trade receivables	12	60,409	62,907	47,023
Amounts to be billed	12	39,351	33,172	31,194
Payments on account	13	-22,371	-13,458	-17,165

The performance obligations are satisfied over time as services are rendered. Some contracts contain volume discounts or success fees, which give rise to variable consideration subject to constraint. Payment is generally due upon specific agreed moments during the performance of our services, on moments that coincide with the work being performed. In some contracts, short-term advances are received before the service is provided, these advances are included in the payments on account.

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Amounts to be billed are recognized as revenue earned from provided services as receipt of consideration is conditional on completion of the performance. A contract receivable is recognized when the right to an amount of consideration is unconditional and only the passage of time is required before payment is due.

Trade receivables are non-interest bearing and the standard payment term is 14 days.

Per 30 June 2023 €0.6 million was recognized as a provision for expected credit losses on trade receivables (30 June 2022: €0.7 million).

An amount of €12.2 million of revenue is recognized in the reporting period that was included in the Payments on account balance at the beginning of the period (2021/2022: €15.3 million).

In the reporting period the amount of revenue recognized from performance obligations (partially) satisfied in previous periods is nihil (2021/2022: €0.1 million).

Since the original expected duration of contracts is generally less than one year, EYB applied the practical expedient in IFRS 15.121 and therefore the aggregate amount of transaction price allocated to the performance obligations that are (partially) unsatisfied as of the end of the financial year is not disclosed. For contracts of which the original expected duration exceeds one year the transaction price allocated to the remaining performance obligations is not material.

6 Other income

	2022/2023	2021/2022
Charges made to other entities within the EY network	11,123	8,629
	11,123	8,629

7 Operating expenses**7.1 Services provided by EY member firms and third parties**

These are services and expenses directly attributable to assignments.

7.2 Employee benefits expenses

	2022/2023	2021/2022
Salaries and bonuses	65,255	58,512
Social security charges	9,511	8,085
Pension contribution	6,464	6,120
Mobility expenses	6,586	5,756
Other staff expenses	2,067	1,595
	89,883	80,068

Salaries and bonuses include holiday allowance.

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Mobility expenses include cost of car lease (excluding depreciation and interest), general mobility allowances, commuting allowances and fuel cost.

The employees are primarily based in the Netherlands. The average number of staff (including members) in full time equivalents (FTE) during the year was:

FTE	2022/2023	2021/2022
Client serving staff	850	818
Members	79	81
	929	899

7.3 Other operating expenses

	2022/2023	2021/2022
Charged expenses from EYNL	26,844	25,362
International EY charges	16,819	15,257
Other staff expenses	3,369	2,786
Other expenses	22,985	26,083
	70,017	69,488

The charged expenses from EYNL consists of other employee expenses, premises expenses, office expenses, IT expenses, finance expenses and other expenses.

Auditors' remuneration in respect of the partnership of €0.05 million is included in the Charged expenses from EYNL (2021/2022: €0.04 million).

8 Finance expenses

	2022/2023	2021/2022
Interest on (un)billed receivables	1,990	3,037
Interest expenses on lease agreements	63	49
Unwinding of discount on provisions	17	12
Other interest and similar expense	48	536
	2,118	3,634

The Interest on (un)billed receivables is calculated based on the investment in working capital and charged by EYNL.

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In thousands of euros, unless stated otherwise

9 Intangible assets

	Customer Relationships
At 1 July 2021	132
Additions	-
Amortization	-32
At 30 June 2022	100
Additions	-
Amortization	-32
At 30 June 2023	68
Cost	325
Accumulated amortization	-193
At 1 July 2021	132
Cost	325
Accumulated amortization	-225
At 30 June 2022	100
Cost	325
Accumulated amortization	-257
At 30 June 2023	68

10 Leases**EYB as a lessee**

EYB has lease contracts for cars used in its operations. Car leases generally have lease terms between 2 and 5 years from the commencement date of the lease. EYB's obligations under its leases are secured by the lessor's title to the leased assets. Generally, EYB is restricted from assigning and subleasing the leased assets. Furthermore, the lease contracts do contain termination options, which could solely be exercised upon the occurrence of events outside the control of EYB.

EYB also has certain leases of cars and office equipment with lease terms of 12 months or less and leases of office equipment and mobile devices with low value. EYB applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

In thousands of euros, unless stated otherwise

Right-of-use assets

Set out below, are the carrying amounts of EYB's right-of-use assets and the movements during the period:

	2022/2023	2021/2022
At 1 July	2,364	2,548
Additions	1,390	1,763
Depreciation	-1,243	-1,329
Disposals	-335	-618
At 30 June	2,176	2,364

Interest-bearing loans and borrowings

Refer to Note 14 for the maturity table of interest-bearing loans and borrowings, which includes the lease liabilities.

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2022/2023	2021/2022
At 1 July	2,391	2,540
Additions	1,397	1,764
Accretion of interest	63	49
Payments	-1,238	-1,345
Terminations	-340	-617
At 30 June	2,273	2,391
	30 June 2023	30 June 2022
With a term < 1 year	1,045	1,120
With a term > 1 year	1,228	1,271
	2,273	2,391

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

In thousands of euros, unless stated otherwise

The following amounts are recognized in the statement of profit or loss:

	2022/2023	2021/2022
Depreciation expense of right-of-use assets	1,243	1,329
Interest expense on lease liabilities	63	49
Expenses related to short-term leases (included in Employee benefits expenses)	34	-
Expenses related to leases of low-value assets (included in Other operating expenses)	402	1,254
Total expense recognized in profit or loss	1,742	2,632

EYB had total cash outflows for leases of €1.2 million in 2022/2023 (2021/2022: €1.3 million). EYB also had non-cash additions to right-of-use assets and lease liabilities of €1.4 million in 2022/2023 (2021/2022: €1.8 million). There are no future cash outflows relating to leases that have not yet commenced.

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

In thousands of euros, unless stated otherwise

11 Investment in associate

Ernst & Young Participaties Coöperatief U.A. has four members. The members have equal voting rights, each 25%. The share of profit from this investment is nil.

EYB has significant influence in the entities listed in the following table.

Name	Country of incorporation ¹	2022/2023	2021/2022
Direct investment			
Ernst & Young Participaties Coöperatief U.A.	The Netherlands	*	*
Indirect investment			
Ernst & Young Participaties B.V.	The Netherlands	*	*
Ernst & Young VAT Rep B.V.	The Netherlands	*	*
Ernst & Young Actuarissen B.V.	The Netherlands	*	*
Ernst & Young CertifyPoint B.V.	The Netherlands	*	*
GS Participation Ltd	United Kingdom	*	*
Ernst & Young Real Estate Advisory Services B.V.	The Netherlands	-	*
EY-Parthenon B.V.	The Netherlands	*	*
EY Montesquieu Finance B.V.	The Netherlands	*	*
EY Montesquieu Institutional Risk Management B.V.	The Netherlands	-	*
CFORS B.V.	The Netherlands	*	*
EY VODW B.V.	The Netherlands	*	*

¹ Registered address of subsidiaries in the United Kingdom: 6 More London Place, London SE1 2DA, United Kingdom. We refer to the remark on the change of the registered office address in Note 1.2. Registered address of subsidiaries in the Netherlands: Boompjes 258, 3011 XZ, Rotterdam, The Netherlands.

*=related party

Ernst & Young Real Estate Advisory Services B.V. and EY Montesquieu Institutional Risk Management B.V. were liquidated on 17 April 2023 and their existence was terminated on 21 June 2023.

12 Trade and other receivables

	30 June 2023	30 June 2022
Trade receivables	60,409	62,907
Amounts to be billed	39,351	33,172
Other receivables	7,805	7,482
	107,565	103,561

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

In thousands of euros, unless stated otherwise

12.1 Trade receivables

Trade receivables are non-interest bearing and the standard payment term is 14 days. Trade receivables are pledged to Stichting Confidentia 2004 as security for the loans granted by current and retired members.

Receivables from related parties and strategic alliance are included in trade receivables. For further information regarding related parties reference is made to Note 19.

The trade receivables are net of expected credit losses (ECL). The total amount of ECL as at 30 June 2023 for these receivables is €0.6 million (30 June 2022: €0.7 million).

The movement in the allowance for expected credit losses is as follows:

	2022/2023	2021/2022
At 1 July	-675	-698
Charge for the year	-23	-432
Written off	147	455
At 30 June	-551	-675

In the statement of profit or loss and other comprehensive income a loss of €0.02 million (2021/2022: loss of €0.4 million) has been recognized under other operating expenses.

The changes in the balances of trade receivables are disclosed in Note 5.2 and the information about the credit exposures and the analysis relating to the allowance for expected credit losses is disclosed in Note 17.1.

12.2 Amounts to be billed

As at 30 June 2023, EYB has amounts to be billed of €39.4 million (30 June 2022: €33.2 million) which is net of an allowance for expected credit losses (ECL) of €0.04 million (30 June 2022: €0.1 million). Due to immateriality no movement schedule of ECL is disclosed.

Payments on account in excess of the relevant amount of revenue are included in trade and other payables. Reference is made to Note 13.

Amounts to be billed are pledged to Stichting Confidentia 2004 as security for the loans granted by current and retired members.

The changes in the balances of amounts to be billed are disclosed in Note 5.2 and the information about the credit exposures and the analysis relating to the allowance for expected credit losses is disclosed in Note 17.1.

12.3 Other receivables

Other receivables (non client related) are mainly due from EY member firms.

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

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In thousands of euros, unless stated otherwise

Other receivables are net of expected credit losses (ECL). The total amount of ECL as at 30 June 2023 for these receivables is €0.001 million (30 June 2022: €0.01 million). Due to immateriality no movement schedule of ECL is disclosed.

In the statement of profit or loss and other comprehensive income a gain of €0.01 million (2021/2022: €0.08 million) has been recognized under other operating expenses.

The information about the credit exposures is disclosed in Note 17.1.

Receivables from related parties and strategic alliance are included in other receivables. For further information regarding related parties reference is made to Note 19.

13 Trade and other payables

	30 June 2023	30 June 2022
Trade and other payables	69,181	68,577
Taxes and social security	2,482	4,243
Payments on account	22,371	13,458
	94,034	86,278

Trade payables are normally settled on 30-day terms.

Payables to related parties and strategic alliance are included in trade and other payables. For further information regarding related parties reference is made to Note 19.

14 Interest-bearing loans and borrowings

	Interest rate	Maturity	30 June 2023	30 June 2022
Current				
Lease obligations	0-6.5%	2023/2024	1,045	1,120
			1,045	1,120
Non-current				
Lease obligations	0-6.5%	Up to 2031	1,228	1,271
			1,228	1,271

Lease obligations

Further details on the lease obligations are included in Note 10.

Changes in liabilities arising from financing activities

The following schedule summarizes the changes in financial liabilities from financing activities as mentioned in the statement of cash flows.

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

In thousands of euros, unless stated otherwise

	Non-current lease obligations	Current lease obligations	Total
At 1 July 2021	1,425	1,115	2,540
Cash flows			
Repayments	-	-1,345	-1,345
Non-cash flows			
Additions/remeasurements	1,534	230	1,764
Interest accruing	49	-	49
Terminations	-617	-	-617
Non-current amounts becoming current	-1,120	1,120	-
30 June 2022	1,271	1,120	2,391
Cash flows			
Repayments	-	-1,238	-1,238
Non-cash flows			
Additions/remeasurements	1,279	118	1,397
Interest accruing	63	-	63
Terminations	-340	-	-340
Non-current amounts becoming current	-1,045	1,045	-
30 June 2023	1,228	1,045	2,273

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

In thousands of euros, unless stated otherwise

15 Provisions

The movement of the provision for professional indemnity is as follows:

	2022/2023	2021/2022
At 1 July	5,942	726
Additions	572	5,610
Payments	-470	-287
Amounts released	-4,227	-107
At 30 June	1,817	5,942
	30 June 2023	30 June 2022
With a term < 1 year	470	105
With a term > 1 year	1,347	5,837
	1,817	5,942

Professional indemnity

EYB carries professional indemnity insurance, which is principally written through a captive insurance company involving other EY member firms and a proportion of the total cover is insured through the commercial market.

The professional indemnity provision serves to cover current exposures, with a maximum per event of the uninsured deductible. Based on the best estimate of timing the cash outflow is not discounted. In the normal course of business, EYB may receive claims for alleged negligence. Cases are usually resolved within three years, although claims that involve court action may take longer to resolve. Where appropriate, provision is made for costs arising from such claims representing the estimated costs of defense and settlements. In case the minimum outflows of a case are known, but the potential total outflows are not reliably estimable, then the minimum outflows are provided for. Separate disclosure is not made of any individual claim or expected insurance recoveries where such disclosure might seriously prejudice the position of the entity.

For information regarding Contingent liabilities see Note 20.

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

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In thousands of euros, unless stated otherwise

16 Employee benefits

	30 June 2023	30 June 2022
Current liabilities		
Payments to be made to staff	8,540	7,885
Defined benefit pension plan	64	109
Salary payments during absence	355	17
Provision for long-service awards	97	100
	9,056	8,111
Non-current liabilities		
Payments to be made to staff	2,949	3,081
Defined benefit pension plan	138	165
Salary payments during absence	-	-
Provision for long-service awards	561	627
	3,648	3,873

Payments to be made to staff relates to amounts to be paid for holidays, overtime and bonuses.

16.1 Defined contribution pension plan

For a description of the pension schemes of EYB, reference is made to Note 2.3.

The total amount of the defined contribution plans charged to profit or loss during the financial year was €6.1 million (2021/2022: €5.9 million).

16.2 Defined benefit pension plan

For a description of the pension schemes of EYB, reference is made to Note 2.3.

Considering the relative small size of this obligation, disclosures are limited to those below.

	2022/2023	2021/2022
At 1 July	274	359
Interest cost	5	6
Benefits paid	-62	-65
Released	-15	-26
At 30 June	202	274
	30 June 2023	30 June 2022
With a term < 1 year	64	109
With a term > 1 year	138	165
	202	274

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

In thousands of euros, unless stated otherwise

The principal assumptions used for DB (Defined Benefit) obligation to pension accrual during prepension period are:

	30 June 2023	30 June 2022
Discount rate	1.94%	1.76%
General salary increase	2.0%	2.0%
Inflation	2.0%	2.0%
Likelihood of leaving:		
·50-54	6.0%	6.0%
·55-59	3.0%	3.0%
·60-62	0.0%	0.0%

16.3 Salary payments during absence

This provision relates to salary to be paid in the event of termination of contracts of employment.

The movements in the provision were as follows:

	2022/2023	2021/2022
At 1 July	17	607
Additions	535	375
Payments	-164	-819
Released	-33	-146
At 30 June	355	17

	30 June 2023	30 June 2022
With a term < 1 year	355	17
With a term > 1 year	-	-
	355	17

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

In thousands of euros, unless stated otherwise

16.4 Provision for long-service awards

The provision for long-service awards relates to costs attributable to future long-service payments relating to past years of employment, taking into account the probability of staff leaving and death.

The movements in the provision were as follows:

	2022/2023	2021/2022
At 1 July	727	832
Additions	38	38
Payments	-118	-157
Unwinding of discount	11	14
At 30 June	658	727
	30 June 2023	30 June 2022
With a term < 1 year	97	100
With a term > 1 year	561	627
	658	727

The principal assumptions used are:

	30 June 2023	30 June 2022
Discount rate	3.7%	1.7%
Factor for attrition, mortality and disability	21.3%	20.3%
Future salary increase	2.5%	2.1%

17 Financial instruments**17.1 Financial instruments risk management objectives and policies**

EYB's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the EYB's operations.

EYB's principal financial assets include trade and other receivables and cash that arise from normal commercial activities.

EYB does not use financial instruments for speculative activities, and complex financial instruments are avoided.

Financial instruments give rise to credit, liquidity, interest rate and foreign currency risks. Information about how these risks arise and are managed is set out below.

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

In thousands of euros, unless stated otherwise

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises primarily from trade and other receivables, amounts to be billed and other financial assets.

Trade receivables and amounts to be billed

EYB maintains procedures to minimize the risk of default by customers. Outstanding customer receivables and amounts to be billed are regularly monitored. Credit risk is not covered by credit insurance or other credit instruments other than billing in advance in certain cases. Services are provided to such a large group of clients that there is no concentration of credit risk.

Amounts to be billed are typically billed to clients within a month of arising and our standard payment term for invoices is 14 days.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. EYB applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and amounts to be billed. To measure expected credit losses on a collective basis, trade receivables are grouped based on days past due and credit risk. The amounts to be billed have similar risk characteristics to the trade receivables for similar types of contracts. The expected loss rates are based on EYB's historical credit losses experienced over the five year period prior to 30 June 2023 and 30 June 2022. EYB historically considered its customer base relatively homogeneous as its historical credit loss experience did not show significantly different loss patterns for different customer segments, as such a single provision matrix was used to determine expected credit losses. In relation to the Russian invasion in Ukraine, started in 2022, EYB considered that the loss pattern for specific clients differs from the overall customer population. Therefore, EYB has separated the respective customer base and has not applied the general provision matrix to these customers, but has separately calculated ECLs for these customers.

A trade receivable is written off when there is no reasonable expectation of recovering the contractual cash flows. Generally, trade receivables are written-off if past due for more than two years.

The maximum exposure to credit risk for these assets are the carrying amounts presented in Note 12.1 and 12.2.

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

In thousands of euros, unless stated otherwise

Set out below is the information about the credit risk exposure on EYB's trade receivables and amounts to be billed using a provision matrix at 30 June 2023 and 30 June 2022:

30 June 2023	Gross carrying amount	Expected credit loss rate	Allowance for ECL
Trade receivables			
Not due	38,870	0.09%	35
<30 days	12,177	0.09%	11
30-90 days	6,690	0.76%	51
90-180 days	1,826	2.05%	38
180-365 days	743	16.58%	123
>365 days	654	44.74%	293
	60,960	0.90%	551
Amounts to be billed	39,387	0.09%	36
	100,347		587
30 June 2022	Gross carrying amount	Expected credit loss rate	Allowance for ECL
Trade receivables			
Not due	44,787	0.19%	84
<30 days	10,113	0.15%	15
30-90 days	4,539	1.21%	55
90-180 days	2,486	4.26%	106
180-365 days	1,187	18.45%	219
>365 days	470	41.70%	196
	63,582	1.06%	675
Amounts to be billed	33,235	0.19%	63
	96,817		738

For a movement schedule of the allowance for expected credit loss reference is made to Note 12.1.

Other receivables

EYB maintains procedures to minimize the risk of default. Credit risk is not covered by credit insurance or other credit instruments. The other receivables are regularly monitored.

The maximum exposure to credit risk for these assets are the carrying amounts presented in Note 12.3. Due to the nature of the receivables presented (employees and EY member firms) no or very limited risk applies.

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For other receivables measured at amortized costs an impairment analysis is performed at each reporting date. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are determined for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is determined for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The impairment analysis is made on an individual basis and is based on invoice categories, ageing, and, if available, information from the credit control department.

Liquidity risk

Liquidity risk is the risk that EYB is unable to meet its financial obligations on the due date. Liquidity risk arises from the ongoing financial obligations of EYB, including settlement of financial liabilities such as trade and other payables, as well as interest-bearing loans and borrowings. The policy is to maintain a positive working capital balance. Depending on the time of year, there can be a considerable balance of cash and cash equivalents. All cash and cash equivalents are at free disposal to EYB.

The maturity profile of the contractual undiscounted payments, including interest, arising from EYB's financial liabilities at year-end, is as follows:

	< 1 year	1 to 2 years	2 to 5 years	> 5 years	Total
Year ended 30 June 2023					
Interest-bearing loans and borrowings:					
- Lease liabilities	1,045	642	586	-	2,273
Trade and other payables	94,034	-	-	-	94,034
	95,079	642	586	-	96,307
Year ended 30 June 2022					
Interest-bearing loans and borrowings:					
- Lease liabilities	1,130	720	612	-	2,462
Trade and other payables	86,278	-	-	-	86,278
	87,408	720	612	-	88,740

The financing requirements of EYB vary during the year, primarily as a result of the incidence of major payments. Based on the service arrangement with EYNL all operating activities, except for specific professional matters, are performed by EYNL. Therefore the liquidity risk is limited.

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Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. Interest rate risk arises primarily from interest-bearing loans and borrowings and cash and cash equivalents.

A fixed rate of interest is paid on long-term loans granted by related parties. Interest related to lease contracts is fixed for the term of the lease.

Through the compensation agreement with EYNL outstanding balances are limited and therefore the interest rate risk is also limited.

Interest rate risks are not hedged in any way by derivatives.

The following table shows the sensitivity to a reasonably possible change in interest rates. With all other variables held constant, the profit of EYB before tax is affected through the impact on floating rate borrowings as follows:

	Increase/ decrease	2022/2023	2021/2022
	in basis points	€000	€000
Effect on profit before tax	+15	0.05	0.01
Effect on profit before tax	-15	0.05	-0.01

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Although the majority of the income and expenses of EYB are denominated in euros, foreign currency risk arises from transactions denominated in other currencies, particularly the US dollar. Balances in foreign currency bank accounts are held to facilitate cash management and to provide means for future payments in currencies other than euros.

If the US dollar exchange rate were to change by 10%, the impact on profit or loss would be €0.7 million (2021/2022: €1.5 million) as a result of changes in the carrying amount of US dollar denominated cash and amounts receivable/payable.

17.2 Other notes**Reconciliation of classes and categories**

All presented groups of financial assets are part of the category debt instruments measured at amortized cost. The investment in an associate is measured at historical cost.

All presented groups of financial liabilities are part of the loans and borrowings category, measured at amortized cost.

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

In thousands of euros, unless stated otherwise

Fair values

Initially, financial instruments are measured at fair value. Subsequently, the financial instruments are measured at fair value or amortized cost, depending on the classification of the financial instruments. As at 30 June 2023 and 30 June 2022, EYB did not hold financial instruments measured at fair value.

EYB assessed that the fair values of cash, trade and other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value assessment of the above mentioned financial assets and liabilities is of a level 2-type.

18 Capital management

EYB is a subsidiary of EYNL and in this context EYNL is arranging the financing structure for the total group. In this respect EYB is part of a cash pooling arrangement with EYNL. Working capital of EYB is managed so that in principle no other external bank or other financing needs to be drawn.

19 Related parties and strategic alliance**19.1 Ultimate parent**

The immediate and ultimate parent of EYB is EYNL, a partnership with limited liability under the laws of England and Wales. The results of EYB will be included in the Group financial statements of EYNL, copies of which will be available from its principal place of business, Boompjes 258, 3011 XZ Rotterdam, The Netherlands.

19.2 Other related parties

Based upon voting rights, EYB has a 25.00% (2021/2022: 25.00%) interest in Ernst & Young Participaties Coöperatief U.A. Consequently, EYB has significant influence over the entities listed in the table included in Note 11. These entities together with all other subsidiaries of EYNL classify as related parties.

Transactions and balances

Under IFRS 10, an investor controls an investee when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Board of EY Europe has assessed the arrangements between EY Europe and EYNL, and considered that EY Europe's own exposure to variable returns from EYNL arising from those arrangements is not sufficient to meet the definition of control, despite having power over EYNL (and EYB). The arrangements do give EY Europe significant influence over EYNL and all underlying entities, so EYNL and all underlying entities are therefore associates of EY Europe.

Notes to the financial statements of Ernst & Young Belastingadviseurs LLP

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The following table provides the total amounts for which transactions were entered into during the relevant financial years and the outstanding balances at 30 June 2023 and 30 June 2022.

	2022/2023	2021/2022
Entities with control and/or significant influence over EYB		
Purchases	27,299	25,903
Current amounts payable at 30 June	63,698	59,962
	2022/2023	2021/2022
Subsidiaries of EYNL		
Sales	23,402	23,272
Purchases	1,230	1,675
Current amounts receivable / payable at 30 June	-	-

19.3 Strategic alliance

EYB has a strategic alliance with HVG Law LLP.

The following table provides the total amounts for which transactions were entered into during the relevant financial years and the outstanding balances at 30 June 2023 and 30 June 2022.

	2022/2023	2021/2022
Sales	13,072	11,065
Purchases	4,571	5,391
Current amounts receivable at 30 June (Gross amounts)	1,171	2,189
Current amounts payable at 30 June	1,107	92

19.4 Terms and conditions of transactions

Services provided to and received from related parties and strategic alliance are generally settled at prices applicable under normal market circumstances.

Outstanding balances at year-end are unsecured and interest-free and settlement occurs in cash. No guarantees were provided or received for any related party/strategic alliance receivable or payable.

For the year ended 30 June 2023, EYB did not record any impairment of receivables from related parties and strategic alliance (30 June 2022: €nil). This assessment is undertaken each financial year through examining the financial position of the related party/strategic alliance and the market in which it operates.

In thousands of euros, unless stated otherwise

19.5 Compensation of key management personnel of EYB

Key management personnel are the designated members of EYB during the financial year. At 30 June 2023, there were 3 designated members (30 June 2022: 3) with an average during 2022/2023 of 3 members (2021/2022: 3). These members receive their remuneration through their professional corporations, being a total of €4.2 million (2021/2022: €3.5 million).

Based on these financial statements, the profit share attributable to the member with the largest entitlement to profits, is €3.3 million (2021/2022: €2.9 million).

20 Commitments and contingencies

Proceedings and claims

Disciplinary and civil law proceedings and claims have been brought against EY members, professionals and entities pursuant to alleged professional negligence and other claims. Where required, forceful defense is put up against such proceedings and claims, which sometimes involve substantial amounts. In many cases, it is exceedingly difficult to estimate the risks involved due to many uncertainties regarding facts, the legal position of all parties involved and other legal issues.

EYB carries professional indemnity insurance, which is principally written through a captive insurance company involving other EY member firms and a proportion of the total cover is insured through the commercial market. In the normal course of business, entities may receive claims for alleged negligence. Cases are usually resolved within three years, although claims that involve court action may take longer to resolve. Where appropriate, provision is made for costs arising from such claims representing the estimated costs of defense and settlements. In case the minimum outflows of a case are known, but the potential total outflows are not reliably estimable, then the minimum outflows are provided for. Separate disclosure is not made of any individual claim or expected insurance recoveries where such disclosure might seriously prejudice the position of the entity.

Contingent liabilities, including liabilities which are not probable, or which cannot be measured reliably, are not recognized but are disclosed in these financial statements. No disclosure of individual contingent liabilities has been made either due to the possibility of settlement being considered remote or where disclosure might seriously prejudice the position of the entity.

Deferred balance - EY member firms

EY member firms, including EYB, have entered into an agreement under which certain expenses of, and investments in, the EY global network are charged to the EY member firms. An annual charge is levied on each EY member firm existing at the time based on a percentage of the EY member firm's revenues for that period. These charges are recognized as an expense in the period in which the revenues are earned. No liability is recognized in respect of potential future charges because no current obligation is considered to arise at year-end.

21 Events after the reporting period

After the reporting date no events occurred that need to be reported.